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ABSTRACT

This paper, written from the perspective of the child advocacy community, acknowledges the importance of the business community in the political process. The paper profiles the contrast between two New Jerseys, one of prosperity, the other struggling under excruciating poverty. The economic boom of the 1980s broadened the gap between wealthy suburbs and the depressed inner cities. Statistics cited demonstrate that New Jersey's children are in need. A report by the Committee for Economic Development, "Children in Need: Investment Strategies for the Educational Disadvantaged," influenced groups to form a collaboration. The Partnership for New Jersey, the New Jersey Business and Industry Association, and several other well-known groups in the state's education and human service communities formed the steering committee of the Invest in Children Coalition. This coalition exemplifies the types of support that businesses can give. Justification for the committee's starting point, early intervention, is given. The process started with a conference in May 1989, at which three major objectives were derived: to generate widespread and active support, to build a broad advocacy coalition, and to collaborate with others in the private and public sectors. Information on the Institute for Educational Leadership is appended. (RR)

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NEW JERSEY BUSINESS PLEDGES TO INVEST IN NEEDY CHILDREN Occasional Paper #10

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**NEW JERSEY BUSINESS PLEDGES
TO INVEST IN
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Occasional Paper #10**

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Association for Children in New Jersey**

**The Institute for Educational Leadership, Inc.
Edna McConnell Clark Foundation
August 1989**

PREFACE

With the support of the Edna McConnell Clark Foundation, the Institute for Educational Leadership (IEL) has been exploring the evolving relationship between the public schools and the business community. IEL has been particularly interested in examining the extent of business involvement with and commitment to resolving the complex issues pertaining to educational reform.

As we pursue these important issues, we would like to share our information with interested parties from the worlds of business, education, and government.

The enclosed Occasional Paper #10, New Jersey Business Pledges to Invest in Needy Children, represents the tenth of a series of Occasional Papers on Business-Education Relationships which IEL will disseminate periodically. Increasingly, as this paper reflects, the business community is viewing education in the larger context of the related social and economic problems which confront growing numbers of children and their families.

Rebecca J. Adams, the author of this Occasional Paper, is currently the Public Relations Coordinator of the Association for Children of New Jersey. While she certainly reflects the perspective of the child advocacy community in her analysis, her explicit acknowledgement of the importance of the business community in the political process has important ramifications for policymakers in all states.

We would welcome your reactions to this description of a beginning effort by New Jersey's business leaders to influence interrelated education and child policy issues in one of the nation's most urbanized states.

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Former Chairman and
Chief Executive Officer
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August, 1989

NEW JERSEY BUSINESS PLEDGES TO INVEST IN NEEDY CHILDREN

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Charles Dickens could have been writing about New Jersey in 1989 when he introduced *A Tale of Two Cities* with, "It was the best of times, it was the worst of times." Today, in fact, there are two New Jerseys: one experiencing unprecedented prosperity, the other struggling under excruciating poverty.

First, the good news. During the 1980's, New Jersey's economy expanded tremendously. The rate of economic growth over the past three years, adjusted for inflation, is 8%. Unemployment levels, which reached 7.2% in 1980, dipped to 3% in 1989. Once the virtual buckle of the rust belt, New Jersey became the economic miracle of the Northeast.

Dozens of companies fled the prohibitive taxes and cramped quarters of New York City for New Jersey, where labor was plentiful, taxes were lower and space was available. Swelling the ranks of businesses already located in the Garden State, this corporate immigration gave New Jersey one of the highest concentrations of corporate headquarters in the nation. It also contributed directly to New Jersey's rank as second in the nation for per capita income.

For those participating in the economic boom, times were never better.

But the boom produced its casualties, too.

Consumer prices rose. Housing prices soared. The gap between the wealthy suburbs and the depressed inner cities widened. Perhaps those hardest hit were New Jersey's children:

- More than 300,000 children in New Jersey live in poverty, at high risk of hunger, malnutrition and chronic health problems.
- Over 15,000 children are homeless.
- Nearly 10 of every 1000 children born in New Jersey in 1989 will die before their first birthday.
- Only one-third of the eligible babies, young children and pregnant women receive the food and nutritional counseling available through the Women, Infants and Children (WIC) Program.
- Some 230,000 New Jersey children do not have any medical coverage.
- Head Start programs are available to only one in five eligible children.

While these statistics are certainly cause for social concern, one might well ask: what is business' stake in the plight of poor children in New Jersey? The fact is that the effects of these problems, which begin before birth and continue through adolescence

and beyond, are already beginning to be felt among New Jersey's business community, particularly in terms of a rapidly shrinking labor market.

New Jersey Bell, for example, reports that in 1987 only 25% of its applicants for entry level jobs passed Bell's minimum skills test. Only about three in ten of the clerical/secretarial applicants at Mutual Benefit Life Insurance Company meet basic employment standards. Some forty percent of the job applicants at Prudential Life Insurance's Newark headquarters cannot read at the ninth grade level. These numbers are repeated across the state as businesses are forced to seek entry-level workers from a young population that is marked by a 17% school dropout rate and functional illiteracy in one of eight 17-year-olds. The New Jersey Department of Labor projects that by the year 2000, minorities -- primarily from distressed urban areas where dropout rates reach as high as 50% -- will make up 20% of the labor force.

CHILDREN IN NEED

Into this scenario came the report by the Committee for Economic Development entitled, **Children in Need: Investment Strategies for the Educationally Disadvantaged**. The report's message was clear. If America is to maintain its position in the international marketplace -- indeed, if we are to preserve our political and economic institutions -- we must invest in our children, especially those children who are neediest. The CED

report called for early intervention, including perinatal care, support networks for families, early and sustained health care and preschool education. It urged extensive restructuring of the public schools to meet the needs of twenty-first century America. The report also advocated for remediation for children who have already been failed by the system, particularly school dropouts.

The findings in the CED report came as no surprise to New Jersey's advocacy community, which had been calling for similar actions for a number of years.

It was the corollary message of **Children in Need** that proved to be most compelling. The CED very clearly showed that for its own preservation, business must use its full collective power to insure that an investment in needy children is made.

This call to the private sector became the focus of a unique collaboration in New Jersey.

A COALITION IS ... CONCEIVED

Armed with the **Children in Need** report as their blueprint, two of New Jersey's most influential business associations began to develop momentum for a collaboration. Those two groups were the Partnership for New Jersey (PNJ), an organization composed of the chief executives of the state's leading corporations and selected non-profit institutions, and the New Jersey Business and Industry Association (NJBIA), an employers organization with considerable expertise in developing public policy on behalf of business.

To establish the credibility of a business-led effort on behalf of children in need, PNJ and NJBIA leaders asked the CED and two statewide organizations, well-known in the state's education and human services communities, to join them. The other groups were the Public Education Institute (PEI), a forum for information and public debate on educational issues, whose executive director is a member of NJBIA's education subcommittee; and the Association for Children of New Jersey (ACNJ), an independent non-profit child advocacy organization with a solid track record for positive policy development for children and families.

This collaboration, calling itself the steering committee of the Invest in Children Coalition, was convinced that meaningful, long-term investment in needy children could only be accomplished with the support of the business community:

- Business, unlike the public sector, understands and practices the concept of committing to long-term investment. In fact, New Jersey is a national leader in industrial research and development, which by its nature often requires years between inception and payoff.
- Several statewide and national programs in which the corporate community has actively intervened on behalf of children have been remarkably and demonstrably successful.
- Business has the clout -- both political and financial -- to insure that the job gets done.

- Perhaps most importantly, the pattern of private sector involvement in social issues is already well established. New Jersey has benefitted from a long history of corporate commitment to its communities and non-profit institutions.

GETTING BUSINESS INVOLVED

Rather than try to address all three categories of the CED's recommendations -- early intervention, school restructuring and dropout prevention -- the steering committee decided that early intervention strategies would be the most effective starting point for a number of reasons:

- It makes sense to begin at the beginning. Restructuring schools cannot be effective if the children going to those schools are underdeveloped, undernourished, unhealthy and unequipped with the basic knowledge and skills expected of normal six-year-olds.
- Services for infants and preschoolers are administered from a confusing variety of state bureaucracies, each jealous of its turf and vying for limited funding. Because of this fragmentation, early intervention services are difficult to obtain by most children and families in need.
- Infants and preschoolers have virtually no advocates

within state government, because no high-ranking government official has a career stake in any of the early intervention programs. Additionally, the three targeted programs -- WIC, Head Start and HealthStart (an expansion of Medicaid aimed at pregnant women and children two years and younger) -- are primarily federally funded; thus, the state, which administers the programs, has only a small budgetary stake in them.

- Finally, mechanisms are already in place for WIC, Head Start and HealthStart. Investing in early intervention does not require reinventing the wheel; rather, it is a matter of expanding existing programs with proven records for success.

The strategy for selling business on the idea of investing in children is straightforward.

- Begin with the state's corporate leadership. They have a greater need for a skilled workforce, and they have the most clout to push for policy change.
- Take the message to smaller corporations and businesses, who also feel the labor crunch but lack the resources to train and educate their workforce on the scale necessary.
- Once business has committed to the concept of early intervention, broaden the coalition to include educators and human service providers -- groups who already

understand the need for early intervention and are crucial to implementing early intervention strategies.

THE PROCESS BEGINS

The timing for the Invest in Children Coalition could not have been better.

The labor market pinch has already begun to prove to business its very direct stake in insuring that the state produces healthy, schooled children who can develop into a skilled, productive workforce. The Children in Need report had already convinced several key corporate leaders in New Jersey that early intervention is an appropriate if not a crucial issue for business to take up with state and national legislators.

Also, private involvement in public education, child care and early intervention strategies continues to receive extensive media coverage as business looks for ways to help disadvantaged children -- not only from a sense of civic duty, but also to insure economic survival.

Furthermore, New Jersey will elect a new governor and state assembly in 1989. A broad coalition of businesspeople, educators, service providers and advocates has a unique opportunity to shape the political agenda and steer the campaign dialogue to the issue of disadvantaged children. When the new administration takes office, the coalition can be instrumental in redirecting state policies toward more effective services for these children.

The steering committee decided that the most effective way to kick off the Invest in Children Coalition would be to convene a small conference of the state's corporate leadership along with selected early intervention experts and key non-profit executives.

The costs of the conference would be underwritten primarily by leading New Jersey corporations and foundations, with financial and in-kind donations from members of the sponsoring organizations.

The majority of the presenters would be New Jersey business executives speaking to their peers about the need for early intervention -- the demographics of children in need, the costs of continued neglect of those needs, the front lines of early intervention (highlighting WIC, Head Start and HealthStart), and private sector strategies that work. In addition, legislators from Trenton and Washington would discuss the state and federal roles in early intervention.

The centerpiece of the conference, however, would be a working lunch, during which tables of ten conferees would set forth strategies that business leaders can undertake immediately to push for public policy support of early intervention services for New Jersey children. A resolution would be developed as a rallying point for the coalition, to be discussed and adopted at the conference after a summary report of the working groups' results.

The steering committee also decided that the conferees should set the direction of the coalition as well as determine its next steps for expansion. The committee believed that if the conferees

felt a sense of ownership about the coalition and its goals, the result would be a deeper commitment and determination to see those goals to completion, and urgency to begin working on strategies they had developed themselves.

THE CONFERENCE

After one year of planning, the conference was held on May 12, 1989. More than 200 corporate and non-profit leaders attended and enthusiastically resolved to use their resources to help insure that early intervention services are available to New Jersey's children in need.

The keynote speaker was Owen B. Butler, CED chairman and retired chairman of Procter & Gamble. His message to the business leaders at the conference was compelling: The business community has to be the advocate to drive investment in needy children through the legislative process. Butler stated, "If we don't make that investment, we are lost -- not only economically, but we are lost as a democracy."

Other speakers included US Senator Frank R. Lautenberg and the chief executives of United Jersey Banks, Mutual Benefit Life Insurance, Exxon Research and Engineering, AT&T General Markets Group, Automatic Data Processing. Representatives of New Jersey's WIC and Head Start programs and urban elementary education also spoke to the conferees from the perspective of "the front lines."

The central message of the conference was that while business

can assist individual schools, programs and children, the problems created by a lack of comprehensive early intervention services are societal ones, which ultimately require public sector solutions. Robert V. Van Fossan, Chairman and CEO of Mutual Benefit Life Insurance, explained, "This most pressing issue on the nation's agenda requires resources, commitment and action beyond the reach of charitable contributions, volunteer action or local initiative.... Our call for national leadership is no abdication of responsibility. In a democracy, when we turn to government, we turn to ourselves."

Another recurring theme among the speakers was the need for personal involvement by business leaders and their employees.

The working groups produced outstanding strategy suggestions. Each group included at least one CEO, one early intervention expert and a trained group facilitator. In accordance with preferences indicated on registration forms, working groups were assigned to one of three focus topics: prenatal care, early childhood health care or early childhood education. Considering the diversity of background, experience and professions deliberately built into each group, plus the 90-minute time limit for the working lunch, the quality of the reports from each group attested to the shared sense of purpose among the participants.

NEXT STEPS

The conference generated tremendous interest, enthusiasm and

support for investing in early intervention for children. However, it was only the first step. The real work lies ahead -- expanding the Invest in Children Coalition, developing a plan of action, and maintaining the commitment and momentum for achieving the coalition's goals as embodied in the resolution adopted unanimously on May 12.

The resolution defines the three major objectives of the coalition:

- to generate widespread and active support within the business community for corporate and public policies that promote the health, education and well-being of children;
- to build a broad advocacy coalition to bring the needs of New Jersey's children to the forefront of public concern; and
- to collaborate with others in the private and public sectors to broaden programs of maternal and child health care, early childhood education and child care.

Using the recommendations of the working groups and the individual conferees regarding the direction and expansion of the coalition, the steering committee is developing a public relations plan, an advocacy plan and a set of proposals, drafted by a consultant to the coalition, for restructuring services for children within the state's human services delivery system. In each case, individual coalition members will be involved in

refining and executing the plans.

Whether the efforts of the Invest in Children Coalition will be successful in bringing about universal access to comprehensive early intervention services for all eligible children remains to be seen. Government has traditionally favored treatment of crises over prevention of problems, emergency spending over long-term investment. Changing the attitude and orientation of the public sector, even with broad private sector encouragement, will not be an easy job. But it must be done, and it is a job that the Invest in Children Coalition has begun.

Robert Van Fossan put the task into perspective: "When a neglected child has a face, that boy or girl is no longer a statistic. He becomes and she becomes ... a cause."

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ABOUT THE INSTITUTE FOR EDUCATIONAL LEADERSHIP

The Institute for Educational Leadership (IEL) has programs in more than 40 states and is unique among the organizations that are working for better schools. It is a Washington-based nonprofit organization dedicated to collaborative problem-solving strategies for education. IEL works at the national, state, and local levels to bring together resources and people from all sectors of society in a new coalition in support of essential change in schools. IEL works to develop the ideas, leadership, resources, and programs that will enable American education to meet today's challenges, and tomorrow's as well. IEL has four primary components that are the driving forces behind its work. These components are as follows.

1. **Coalition Building: Strengthening Business Involvement in Education** -- The strength and vitality of business can be traced directly to the quality of the education America's young people--and business's next generation of workers--receive in our schools. IEL forms the crucial link between the schools and the business community to establish dialogue that creates an understanding of the common interests of business and the schools. From its position as a knowledgeable but uniquely independent participant in school reform, IEL brings business and education together to strengthen both.
2. **Emerging Trends/Policy Issues: Demographic Policy Center** -- America's demographic changes are in evidence everywhere from maternity wards to advertising campaigns, but nowhere are the challenges of these changes more real or pressing than in America's schools. IEL's Demographic Policy Center, headed by nationally prominent demographic analyst Dr. Harold Hedgkinson, is working to generate greater awareness of the forces reshaping our society and to provide services that will make business and political as well as education leaders more responsive to changing needs.
3. **Leadership Development: A Motivator for Informed and Pace-Setting Leadership** -- IEL sponsors a variety of programs that serve to develop and promote leadership. IEL's Education Policy Fellowship Program gives mid-career professionals the opportunity to explore policy issues and to understand better how policy is influenced. In collaboration with the Education Commission of the States, IEL sponsors the State Education Policy Seminars Program which provides for the exchange of ideas and perspectives among key state-level political and educational policymakers. Through a variety of leadership development services to public school systems, IEL has a learning laboratory to work with school-based staff. IEL and the Office of Educational Research and Improvement, U.S. Department of Education, jointly sponsor the National LEADership Network and work in collaboration with the 51 LEAD centers across the U.S.--with principals, with superintendents, and with other school leaders--to promote leadership in schools.
4. **Governance** -- IEL's governance work focuses on all levels of education policy and management, with the emphasis on performance and action to help local education leaders sort out appropriate roles, responsibilities, and trade-offs. Currently, IEL is working through its School Board Effectiveness Program to develop leadership capabilities and is examining various aspects of local school boards to enhance their effectiveness as governing bodies. IEL's Teacher Working Conditions Project seeks to understand and address the work place conditions and issues which promote or impede teacher effectiveness in urban school systems. This project is part of the overall national effort to professionalize teaching and to gain greater commitment to excellence in learning.

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Occasional Paper #1. Next Steps in the Relationship Between Business and Public Schools

Occasional Paper #2. Getting Down to Business: Next Steps in School Business Partnerships

Occasional Paper #3. Chicago Business Leadership and School Reform

Occasional Paper #4. Business Assistance to Urban College-Bound Students: Models That Work

Occasional Paper #5. Corporate Advocacy for Public Education

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Occasional Paper #7. Detroit Business Leadership and Educational Change

Occasional Paper #8. Moving Beyond Fuzzy Altruism in Business-Education Relationships: The Potential of the Georgia Alliance for Public Education

Occasional Paper #9. Sustained Business Involvement in State School Reform: The South Carolina Story

Occasional Paper #10. New Jersey Business Pledges to Invest in Needy Children

Occasional Paper #11. School-Industry "Partnership Academies": Programs That Work

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